

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Precision Contract Manufacturing

Vermont Manufacturing Extension Center

A New Acquisition Sets Precision Contract Manufacturing On A New Strategic Path

Client Profile:

Precision Contract Manufacturing has been in operation since 1994 and manufactures circuit boards and harness assemblies. Located in Springfield, Vermont, the company presently employs 78 people. Precision Contract Manufacturing acquired Image Tek in March 2002.

Situation:

Precision Contract Manufacturing (PCM) felt the time had come to grow its business significantly, and recently acquired Image Tek to expand its range of expertise. PCM asked the Vermont Manufacturing Extension Center (VMEC), a NIST MEP network affiliate, to assist in facilitating long range strategic planning for the newly consolidated organization.

Solution:

VMEC began PCM's strategic planning process with an assessment to identify areas that needed organizational change and business transformation. Implementing organizational change is a challenge in any company. For PCM/Image Tek, it was even more challenging, given the fact they had only recently merged and were still getting to know each other. VMEC's initial SWOT analysis demonstrated both similarities and differences the newly formed management team had not previously considered, and highlighted strategic approaches to the questions of how to structure the two companies as one business, develop marketing efforts, and expand their customer bases. The experience offered the group a new perspective and respect for each other. It also generated much excitement and enthusiasm for the opportunities ahead. PCM/Image Tek took VMEC's advice and now regards the two businesses as two divisions of one company with multiple business units within each division. The company assigned corporate goals and objectives to each business unit's individual performance. With strategic metrics in place, PCM/IMAGE TEK has been able to track each business unit's performance. Building the budget for 2003 by business unit will allow managers to understand which units are on track and contributing to overall results. This model also provides a vehicle to make necessary and appropriate changes to specific areas of this multifaceted business.

Results:

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Developed a strategic business plan to integrate two disparate companies.
Developed a consolidated organizational structure.
Established performance metrics tied to strategic goals and objectives.
Expanded customer base and increased sales.

Testimonial:

"Having the Vermont Manufacturing Extension Center team involved in...strategic planning has benefited our organization in a number of areas. Not only has our management team developed a greater ability to communicate and get projects accomplished, we have established common goals and objectives for both the near future and for the years ahead."

Mike Hathaway, President